

**REQUEST FOR PROPOSALS**  
**FOR**  
**INDEPENDENT AUDIT SERVICES**



Issued By:

Pullman-Moscow Regional Airport Board  
3200 Airport Complex North  
Pullman, WA. 99163-8974

**August 10, 2022**

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PULLMAN-MOSCOW REGIONAL AIRPORT BOARD

REQUEST FOR PROPOSALS  
FOR  
INDEPENDENT AUDIT SERVICES

Sealed proposals will be accepted until 1:00 PM PDT, Friday September 9, 2022, by the Pullman-Moscow Regional Airport (Board), 3200 Airport Complex North, Pullman, Washington 99163-8974, to provide the Airport with independent audit services in accordance with the conditions stated in the Request for Proposals (RFP) package.

Preferably, RFP documents may be obtained by accessing the Airport website: <http://www.flypuw.com/invitation-for-bids/>. Alternatively, RFP documents are available by emailing Cherri Gentry with Airport Administration at [cherri.gentry@pullman-wa.gov](mailto:cherri.gentry@pullman-wa.gov).

Proposals shall be marked “*Proposal to Provide Independent Audit Services*”, and submitted to:

Pullman-Moscow Regional Airport  
3200 Airport Complex North  
Pullman, WA 99163-8974

The Board reserves the right to reject any and all proposals, to waive any minor irregularities in the process, to negotiate with any proposers, and to accept the proposal which is considered to be in the best interest of the Board.

The Airport is an Equal Employment Opportunity (EEO) organization which does not discriminate against any prospective firm on the basis of race, religion, color, sex, age, national origin, sexual orientation, or presence of any sensory, mental, or physical disability in the consideration of contract award. Successful proposer will be required to comply with all EEO, federal, state, and local laws and regulations.

Pullman-Moscow Regional Airport Board  
3200 Airport Complex North  
Pullman, WA. 99163-8974



**TO:** Prospective Audit Firm  
**FROM:** Anthony Bean  
Airport Executive Director  
**DATE:** August 10, 2022  
**SUBJECT:** Independent Audit Services Request for Proposals

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Thank you for reviewing this Request for Proposals. We appreciate your interest in providing independent audit services for Pullman-Moscow Regional Airport.

Please read the information in this packet thoroughly. Proposals may be disqualified because they do not comply with all the requirements of the Airport's Request for Proposals process. We want your proposal to be evaluated on its merits, and not be deemed non-responsive.

**Preliminary Solicitation Schedule:**

|   |                                 |
|---|---------------------------------|
| Advertised                              | Beginning Wednesday 8/10/22     |
| Posted on Airport Website               | Beginning Wednesday 8/10/22     |
| Questions deadline                      | Wednesday 8/26/22 (1:00 PM PDT) |
| Responses / Addenda posted              | Friday 9/2/22 (4:00 PM PDT)     |
| Proposals Due                           | Friday 9/9/22 (1:00 PM PDT)     |
| Review by committee                     |                                 |
| Notify Finalists                        | 9/15/22                         |
| Presentations, if requested             | 9/22/22                         |
| Recommendation and Airport Board Action | 9/28/22                         |

Please contact Airport Accounting at [colin.gulbrandsen@pullman-wa.gov](mailto:colin.gulbrandsen@pullman-wa.gov) if you have any questions regarding this document or the RFP process.

Sincerely,



Anthony Bean,  
Executive Director  
Pullman-Moscow Regional Airport

## **I. INTRODUCTION**

Via this Request for Proposals (“RFP”), the Board is seeking to establish a professional services agreement with a qualified independent auditing firm to provide independent auditing services for the Board for the audit periods covering three fiscal years 2020 - 2022, commencing as soon as possible with the fiscal year ending December 31, 2020.

There is an option for two additional one-year terms (audits covering fiscal years 2023 and 2024). Services relating to consultation in other areas of accounting and audit may be solicited from other firms at the Board’s discretion.

The contract to be executed with successful Proposer shall be in accordance with Section IV. (SCOPE OF SERVICES).

This document outlines the prerequisites, selection process and documentation necessary to submit a proposal for the requested services. Please carefully read the entire package before submitting your proposal.

Sealed proposals, one (1) original and three (3) copies, shall be submitted by **1:00 PM PDT on September 9, 2022 to:**

Pullman-Moscow Regional Airport  
3200 Airport Complex North  
Pullman, WA 99163-8974

All proposals will be date and time stamped upon receipt by Airport staff and shall be opened and reviewed after 1:00PM on September 9, 2022. All documents listed on the attached Proposal Submission Checklist – Attachment #1 must be submitted in a sealed envelope that is clearly marked: “*Proposal for Independent Audit Services.*” It will be the sole responsibility of Proposers to ensure proposals are delivered to Pullman-Moscow Regional Airport by the appointed date and time. Late proposals will be returned to the proposer unopened. All responsive proposals become the property of the Airport and must be provided without cost to the Airport. Except as otherwise provided for herein, proposals which are incomplete or which are not in conformance with the law, may be rejected as non-responsive.

This RFP does not commit the Airport to enter into a contract for the scope of work or to pay any costs incurred in the preparation of a proposal pursuant to this RFP or incurred in subsequent negotiations. It is the intention of the Board to negotiate a contract with the independent firm it deems most beneficial to the Airport.

All proposals shall be considered valid for a period of ninety (90) days from the proposal closing date and shall contain a statement to that effect. Timely proposals received shall be subject to applicable laws and regulations governing public disclosure. Any information received within the proposal will be considered part of the public record of this RFP process.

The Airport reserves the right to reject any and all proposals, to waive minor informalities and irregularities in the proposal submission process, to extend the date for submittal of responses, to request additional information and data from any or all proposers, to supplement, amend or otherwise modify the RFP prior to the closing date, to cancel this request with or without the substitution of another RFP, to reissue the RFP, or to accept a proposal which is considered to be in the best interest of the Airport.

By submittal of a proposal pursuant to this RFP, the proposer certifies that no fee or commission, or any other thing of value, has been paid or agreed to be paid to any employee, agent, representative, official or current consultant of the Board in order to procure the contract described in this RFP. The proposer also certifies that the financial information in its proposal has been arrived at independently and without consultation, communication or agreement with the Board, or other proposers, to restrict competition as to any matter relating to this RFP.

## **EEO**

The Pullman-Moscow Airport and Board is an Equal Employment Opportunity (EEO) organization, which does not discriminate on the basis of race, religion, color, sex, age, marital status, national origin, sexual orientation, or

the presence of any sensory, mental or physical disability in consideration of a contract award. The successful proposer will be required to comply with all federal, state, and local laws and regulations.

## **PROHIBITION AGAINST LOBBYING**

The Proposer shall not lobby, either on an individual or collective basis, the Board, Airport staff, (associated City employees, or outside advisors) or any federal, state, or local elected or public officials or staff regarding this RFP or its written proposal. Proposers, the Proposer's acquaintances, friends, family, outside advisors, agents, or other representatives shall not contact the Board, Airport staff, (associated City employees, or outside advisors) or any federal, state, or local elected or public officials to arrange meetings, visits, or presentations to influence the outcome of the selection process. Violation of this provision, by or on behalf of a Proposer, intentionally or unintentionally, will result in disqualification of the Proposer and/or rejection of a written proposal.

## **QUESTIONS, INQUIRIES and CONTACT WITH AIRPORT STAFF**

The Board is committed to providing all interested parties with accurate and consistent information in order to ensure that no proposer obtains an undue competitive advantage. To this end, from the date of this RFP through award of contract, the Airport contact is:

Colin Gulbrandsen  
City of Pullman Finance Dept. Airport  
190 SE Crestview St.  
Pullman, WA 99163-2267  
(509) 338 3223 ext. 103  
E-mail: [colin.gulbrandsen@pullman-wa.gov](mailto:colin.gulbrandsen@pullman-wa.gov)

Prior years' financial statements and audit reports can be found at <https://sao.wa.gov/reports-data/audit-reports/> which is available to assist firms in responding to this RFP.

All questions from Proposers must be submitted in writing, electronically, to [colin.gulbrandsen@pullman-wa.gov](mailto:colin.gulbrandsen@pullman-wa.gov) no later than 1:00PM PDT Friday August 26, 2022. It will be the sole responsibility of Proposers to ensure questions are submitted in a timely manner. Answers to questions, other clarifications and/or addendums will be posted on the Airport's website <http://www.flypuw.com/invitation-for-bids/> no later than 4:00PM PDT Friday September 2, 2022.

In the event any addendums are issued, proposers shall complete and return the Acknowledgement of Addenda form (Attachment #2) with their proposal.

## **II. AGENCY BACKGROUND**

The Pullman-Moscow Regional Airport has existed since the late 1930's, and has operated in its present form since 1970. At that time, it was formally established under a cooperative agreement between the City of Pullman, Washington; the City of Moscow, Idaho; Latah County, Idaho; and the Port of Whitman County, Whitman County, Washington. The airport operates under the provisions of RCW 14.08 which establishes the operation of airports by more than one municipality under joint agreement.

The Pullman-Moscow Airport provides airport services to the region surrounding the City of Pullman. This activity is not controlled by, nor dependent upon the City of Pullman. Direction is provided by a board composed of representatives from the City of Pullman, Washington, City of Moscow, Idaho, Latah County, Idaho, Whitman County At-Large, University of Idaho, and Washington State University. It derives some financial support from each of these entities. It is not a separate taxing authority. The interlocal agreement establishing this activity directs the City of Pullman to maintain the financial records and reports as required by the laws of the state of Washington.

In 2019 Pullman-Moscow Regional Airport earned approximately \$760K and \$360K in operating and non-operating revenues respectively, with nearly 70,000 enplaned passengers.

The Airport is in the final stages of a major runway realignment project with an estimated final project cost of approximately \$155M, that includes primary funding from federal sources with additional state and local funding. The Airport is also beginning a new Terminal and Apron construction program with expected completion in Fall of 2023 and an estimated combined final project cost of \$83M.

### **III. REQUIRED QUALIFICATIONS**

The following qualifications are intended to ensure the proposer is independent and has adequate experience and expertise to conduct the audit for the Board. The proposer, if awarded a contract, will:

- A. Have, or will obtain, all necessary licenses to do business in the state of Washington. We anticipate that the entirety of the audit can be conducted remotely. If the proposer anticipates expenses related to travel please state them separately on the proposed fee schedule.
- B. Have a minimum of 7 years of demonstrated experience in conducting financial audits of governmental organizations in compliance with applicable standards contained in Government Auditing Standards issued by the Comptroller General of the United States. Have demonstrated experience performing audits of governmental entities in Washington State and the ability to interface with the Office of the Washington State Auditor. Have demonstrated experience performing Federal Single Audits involving multiple grants and expenditures of federal awards in excess of \$20 million per year. Additional consideration will be given to proposers with demonstrated experience performing Federal Single Audits involving the F.A.A. Airport Improvement Program.
- C. Demonstrate that staff scheduled to perform the audit collectively possess:
  1. Knowledge of Generally Accepted Government Auditing Standards (GAGAS), Government Financial Officers Association (GFOA) Certification process, *OMB Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, Circular and PFC Regulations (PFC 14 CFR Part 158) applicable to this audit and the education, skills and experience to apply such knowledge;
  2. General knowledge of the environment in which Pullman-Moscow Regional Airport operates including the application of both federal and state laws and regulations to municipal corporations, municipalities, and airports (RCW 14.08);
- D. Show verifiable experience working with agencies and public boards in Washington State by providing the following:
  1. Three references from past governmental audits from similar entities, including the agency's name, address and phone number along with a contact person's name and title. The following are example attributes that might be used to judge the similarity of a reference entity. The following list is for reference only, and should not be considered definitive, or exhaustive;
    - a. The reference entity is a Washington State governmental entity.
    - b. The reference entity was audited on their PFC program.
    - c. The reference entity was subject to a Federal Single Audit, preferably involving the F.A.A, Airport Improvement Program.
  2. Permission to contact the references provided;
  3. Copies of, or access to, prior audited financial statements or ACFRs of a similar nature to Pullman-Moscow Regional Airport.
- E. Provide copies of the two most recent peer review reports.
- F. Demonstrate that all matters relating to the audit work, the Audit Firm and the individual auditors are free both in fact and appearance from personal, external and organizational impairments to independence. To assist in determining independence, the current Pullman-Moscow Regional Airport Board members are listed on the

Airport's website at <http://www.flypuw.com/airport-board/> along with the current Airport management staff listed at <http://www.flypuw.com/airport-management/> the proposer will certify this ability to meet the independence standard.

#### IV. SCOPE OF SERVICES

##### Financial Reporting

- A. Financial Reporting: Complete annual financial audit of the Pullman-Moscow Regional Airport and express an opinion on the fair presentation of its Statement of Net Position and the related Statement of Revenues, Expenses, and Changes in Net Position along with the Statement of Cash Flows.
- B. Auditing Standards: The audit is to be conducted in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.
- C. Reports to be Issued:
  - 1. Auditor's report on the fair presentation of the financial statements
  - 2. Auditor's report on the Airport's internal control over financial reporting
- D. Required communication to those charged with governance:
  - a. The auditor's responsibility under generally accepted auditing standards;
  - b. The planned scope and time of the audit;
  - c. Significant findings from the audit;
  - d. Difficulties encountered in performing the audit;
  - e. Uncorrected misstatements;
  - f. Disagreements with management;
  - g. Management consultation with other accountants;
  - h. Significant issues discussed or subject to correspondence;
  - i. Independence; and
  - j. Illegal acts of which they become aware of.
- E. Additional Required Services: The following additional items are to be included in the proposal for audit services. Proposals will be evaluated in their entirety based on the ability to complete the base audit described above (Financial Reporting), as well as the additional services described below (Federal Single Audit and PFC Program Audit):
  - 1. Conduct audit regarding compliance of Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Federal Single Audit).
    - a. Issue Auditor's Report on Compliance for Each Major Program and Report on Internal Control over Compliance in Accordance with The Uniform Guidance;
    - b. Issue Auditor's Report on the Schedule of Expenditures of Federal Awards.
  - 2. Conduct audit of the Passenger Facility Charge (PFC) program for compliance with the requirements of Federal Regulations (14 CFR Part 158),
    - a. Issue Auditor's Report on Compliance with Requirements that could have Direct and Material Effect on the Passenger Facility Charge Program;
    - b. Issue Auditor's Report on Internal Control over Compliance in Accordance with the Passenger Facility Charge Program Audit Guide for Public Agencies,
    - c. Report on the Schedule of Passenger Facility Charge Program Receipts and Expenditures Used.
- F. Proposed Time Requirements and Key Dates: The airport received their first audit of financial statements in 2018 after having not been audited for over 10 years. The audit process beginning with fiscal year 2018 has been particularly lengthy with the fiscal year 2019 audit only being concluded in April of 2022. Based on projected Board selection of firm on approximately September 28, 2022 the airport is seeking to



complete financial audits for fiscal years 2020 and 2021 prior to 3/31/22, with a concurrent timeline for completion of Single Audit and PFC Reports.

**V. ASSISTANCE TO AUDITORS**

- A. The Finance / Accounting staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations.

**VI. PROPOSAL SUBMISSION REQUIREMENTS**

- A. See Attachment #1 – Proposer’s Checklist
- B. Background information on the firm, including the size of firm’s governmental audit staff, principal office location, and closest office location to the Pullman-Moscow Regional Airport
- C. An affirmative statement that the firm is independent of the Board as defined by generally accepted auditing standards.
- D. An affirmative statement indicating the firm and all assigned key professional staff are properly licensed, or will obtain proper licenses, to practice in Washington.
- E. Partner, Supervisory and Staff Qualifications and Experience:
1. Designation of partner, or potential partner who will be responsible for your firm’s audit on behalf of the Board.
  2. Identify the principal supervisory and management staff, including audit partners, managers, other supervisors and specialists, who would be assigned to the audit.
  3. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past two (2) years and membership in professional organizations relevant to the performance of this audit.
  4. Provide information on the airport auditing experience of each person listed above. The firm must provide as much information as possible (resumes preferred) pertaining to the staff expected to be assigned to this audit.
  5. Provide description of how a proposed team will be organized.
- F. The firm is also required to submit a copy of its two most recent external peer review reports, with a statement indicating whether that peer review included a review of specific government audits.
- G. Show verifiable experience working with agencies, corporations and public boards similar in nature to the Pullman-Moscow Regional Airport as outlined in III (D) above.
- H. Sample list of reports and/or schedules required by current governmental clients.
- I. Proposed audit schedule and work plan based on the Board’s timing requirements listed in Section IV.F.
- J. Proposed fee schedules for contract years one through three. Each year should include three separate proposed fee schedules for the audits of; Financial Reporting, Federal Single Audit and the PFC program. Each fee schedule should include:
1. A total all-inclusive maximum price for the 2020 audit.
  2. Hourly rates by partner, specialist, supervisory and staff level times and hours anticipated for each.
  3. Estimated out-of-pocket expenses and incidentals are to be included and listed in the total all-inclusive maximum proposal for the 2020 audit. Include fees for technical review (ie: footing, cross-footing, spelling, punctuation, other);
  4. Proposed all-inclusive amounts for FY 2020, 2021, 2022.

5. The proposal does NOT include costs incurred in preparing and submitting this proposal. The Airport is NOT responsible for expenses incurred in preparing and submitting this proposal.
6. Should option years four and five be exercised, any increase to fee schedules will be negotiated prior to the expiration of the initial term.
7. An affirmative statement indicating the proposal is valid for a period of ninety (90) days from the proposed closing date of September 9, 2022.

**VII. EVALUATION OF PROPOSALS**

Each proposal will be evaluated by a selection committee. That committee may be comprised of Airport staff, and Airport Board members. Finalists selected through the evaluation process will, at the selection committee’s discretion, request firms to make oral presentations. Such presentations will provide finalists an opportunity to answer any questions the selection committee may have on a firm’s proposal. The Board reserves the right to recommend the contract award based solely upon the original proposal.

The criteria to be used in the evaluation of proposals, along with respective weighted importance, are as follows:

| <u>CRITERIA</u>  | <u>WEIGHT</u> |
|--|---------------|
| 1. Technical qualifications related to airport and governmental audit experience on comparable engagements | 35            |
| 2. Qualifications and experience of key personnel  | 30            |
| 3. Adherence to instructions for proposal submission   | 5             |
| 4. References  | 15            |
| 5. Cost  | <u>15</u>     |
| Total  | <u>100</u>    |

**VIII. TERM OF CONTRACT**

The term of the awarded contract for audit services shall be three (3) fiscal years and associated audit periods commencing with the audit requirements related to the fiscal year ending December 31, 2020. At the Board’s sole option, two (2) additional one-year terms may be exercised (fiscal years 2023 and 2024). A personal services contract will be executed with the successful proposer. Proposers may opt to include a proposed personal services contract with their submission.



# ATTACHMENTS

Attachment #1

**PROPOSAL SUBMISSION CHECKLIST**

(Refer also to Section VI. "Proposal Submission Requirements")

The following information and documents must be submitted as part of the sealed proposal:

|  | <u>Attached or Included</u> |
|--|-----------------------------|
| 1. Proposal Submission Checklist – Attachment #1                                       | Yes _____ No _____          |
| 2. Acknowledgement of Addenda – Attachment #2<br>(if applicable)                       | Yes _____ No _____          |
| 3. Required affirmative statements – Attachment #3                                     | Yes _____ No _____          |
| 4. Background information on the firm and staff  | Yes _____ No _____          |
| a. Partner, Supervisory and Staff  |                             |
| b. Qualifications and Experience   |                             |
| c. Proposed Audit Team Organization  |                             |
| 5. Two most recent external peer review reports<br>(including government audit review) | Yes _____ No _____          |
| 6. Documented and verifiable experience  | Yes _____ No _____          |
| 7. Sample list of required reports or schedules  | Yes _____ No _____          |
| 8. Proposed audit schedule and work plan   | Yes _____ No _____          |
| 9. Proposed Fee Schedule for the first three years, FY20<br>FY21 and FY22 to include:  | Yes _____ No _____          |
| a. Proposed fee schedule for financial audit   |                             |
| b. Proposed fee schedule for PFC program audit   |                             |
| c. Proposed fee schedule for Federal Single Audit                                      |                             |
| 10. Proposed Professional Services Contract (Optional)                                 | Yes _____ No _____          |

**Submission Due Date: Friday September 9, 2022; 1:00 PM PDT**

Complete Package: YES \_\_\_\_\_ NO \_\_\_\_\_

Attachment #2

**ACKNOWLEDGMENT OF ADDENDA**

The following form shall be completed and included in the proposal.

Failure to acknowledge receipt of all addenda, if any, may cause the proposal to be considered non-responsive.

The undersigned acknowledges receipt of the following addenda to the documents:

Addendum No. \_\_\_\_\_, Dated \_\_\_\_\_

Addendum No. \_\_\_\_\_, Dated \_\_\_\_\_

Addendum No. \_\_\_\_\_, Dated \_\_\_\_\_

Company Name of Proposer: \_\_\_\_\_

Company Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Printed Name and Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Attachment #3

**AFFIRMATION STATEMENTS FOR INDEPENDENT AUDIT SERVICES**

Company Name of Respondent: \_\_\_\_\_

Company Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Printed Name and Title: \_\_\_\_\_

The above authorized individual makes the following affirmations on behalf of the proposing firm:

1. I am authorized to make these affirmations;
2. All answers and statements made in the proposal are true and correct;
3. In preparing this proposal, the financial information contained in it has been arrived at independently and without consultation, communication or agreement with the Board, or other proposers, to restrict competition as to any matter relating to this RFP;
4. No fee or commission, or any other thing of value, has been paid or agreed to be paid to any employee, agent, representative, official or current consultant of the Board in order to procure the contract described in this RFP;
5. The firm and personnel performing work under any contract related to this RFP are independent of the Board as defined by generally accepted auditing standards;
6. The firm and key personnel are properly licensed, or will obtain proper licenses prior to commencement of services, to practice in Washington;
7. This proposal is valid for a period of ninety (90) days from the closing date of September 9, 2022.